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BEFORE THE ARIZONA CORPORATION CC

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
SUSAN BITTER SMITH
BOB BURNS

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM WATER DISTRICT AND ITS SUN CITY WATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER WOMpany's DISTRICTS.

DOCKET NO. W-01303A-09-0343

DECISION NO. 72047

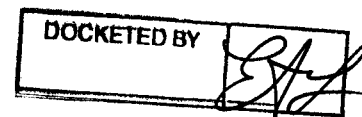
NOTICE OF COMPLIANCE
FILING

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICT, ITS SUN CITY WASTEWATER DITRICT, AND ITS SUN CITY WEST WASTEWATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER COMPANY'S DISTRICTS.

DOCKET NO. SW-01303A-09-0343

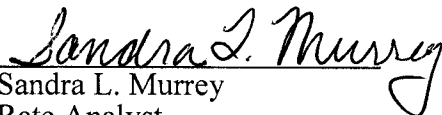
Arizona Corporation Commission
DOCKETED

JUL 3 2014



In compliance with Decision No. 72047, EPCOR Water Arizona, Inc. hereby files the attached Water Loss compliance report for the Sun City Water District. The decision orders the Company to reduce water loss in the Sun City Water district's PWS No. 07-099 to below 10 percent before it files its next rate case, CC&N, or financing application for the Sun City Water district and shall continue to track the water loss for three years and submit the data collected every six months. Please note the Company interprets the 10 percent water loss requirement in the standard manner of a 12 months rolling calculation. Therefore, the attached report is as of twelve months ended June 2014.

1 RESPECTFULLY SUBMITTED on July 3, 2014.
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5 
6 Sandra L. Murrey
7 Rate Analyst
8 EPCOR Water Arizona, Inc.
9 2355 W. Pinnacle Peak Road, Suite 300
10 Phoenix, AZ 85027
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14

15 Original and 13 copies **filed**
16 on July 3, 2014, with:
17

18 Docket Control
19 Arizona Corporation Commission
20 1200 West Washington
21 Phoenix, Arizona 85007
22

23 Copies of the foregoing **emailed**
24 on July 3, 2014, to:
25

26 Brian K. Bozzo
27 Compliance and Enforcement Manager
28 Utilities Division
29 1200 West Washington Street
30 Phoenix, AZ 85007
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EPCOR Water
Central Division - Sun City Water District
Unaccounted For Water - Rolling 12-Months Summary

Description		Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	TOTAL
A Gallons Pumped														
Water Treatment														
Wells		4,267,826	4,284,153	4,278,742	4,292,348	4,270,077	4,298,459	4,316,901	4,336,967	4,327,472	4,336,398	4,334,225	4,319,490	51,663,058
B Gallons Purchased														
C Total Production		4,267,826	4,284,153	4,278,742	4,292,348	4,270,077	4,298,459	4,316,901	4,336,967	4,327,472	4,336,398	4,334,225	4,319,490	51,663,058
D Authorized Unbilled/Consumption														
In-Plant Usage		7,365	5,734	3,900	2,615	2,550	2,246	3,598	3,900	4,315	5,092	5,464	5,935	52,714
Mixing Chemicals - Field														0
Well Pumped Waste		3,317	3,208	2,760	2,800	2,802	2,725	3,065	2,985	3,640	3,612	3,505	3,443	37,862
Flushing Mains		429	1,112	1,949	2,888	3,625	3,643	4,742	4,721	4,721	4,725	4,828	4,603	41,986
Identified Fire Usage		40												40
Vandalism														0
Street Cleaning		65	97	92	92	92	81	71	71	73	73	73	73	953
Draining Storage Tanks		1,994	1,994	1,994	1,034	1,244	1,344	1,204	954	620	653	913	913	14,861
Online Analyzers & Chlorinators		5,076	5,076	5,076	5,076	5,076	5,076	5,076	5,076	5,076	5,076	5,076	5,076	60,912
Field Meter Testing														0
Fire Hydrant Maintenance		282	258	253	230	229	217	240	148	91	99	96	96	2,239
Flushing Sewer Mains		368	443	508	471	432	458	462	457	462	485	484	482	5,512
Total Authorized Unbilled/Consumption		18,936	17,922	16,532	15,206	16,050	15,790	18,458	18,312	18,998	19,815	20,439	20,621	217,079
E Gallons Sold														
Residential		3,077,499	3,099,443	3,088,952	3,093,692	3,101,599	3,072,944	3,086,748	3,099,573	3,112,363	3,106,964	3,110,818	3,097,335	37,147,930
Commercial		899,048	914,632	926,088	933,320	932,674	920,410	937,968	946,883	946,037	942,164	941,658	935,419	11,176,301
Industrial														0
Fire Service														0
OPA														0
Resale														0
Miscellaneous		7,337	6,753	6,900	7,019	6,751	6,410	6,154	5,849	5,515	5,470	5,595	5,871	75,624
Total Sales		3,983,884	4,020,828	4,021,940	4,034,031	4,041,024	3,999,764	4,030,870	4,052,305	4,063,915	4,054,598	4,058,071	4,038,625	48,399,855
F Non-account Water														
Gallons =D-E		265,006	245,403	240,270	243,111	213,003	282,905	267,573	266,350	244,559	261,985	255,715	260,244	3,046,124
Percentage =(D-E)/D		6.21%	5.73%	5.62%	5.66%	4.99%	6.58%	6.20%	6.14%	5.65%	6.04%	5.90%	6.02%	5.90%

Negative numbers indicate quantity or percentage above production or 100%

1 Wastewater district that conform with those appearing in Hearing Exhibit S-7 at DMH-3, Figure 6
2 and DMH-4, Figure 7.

3 IT IS FURTHER ORDERED that Arizona-American Water Company shall file, within 60
4 days, or sooner if possible, for review by Staff, an application for approval of changes that generally
5 incorporate the program outlined in Exhibit B, to the Sun City Low Income Program in order to
6 extend the benefit of the Sun City Low Income Program to condominium and other multi-housing
7 dwellers.

8 IT IS FURTHER ORDERED that Staff shall review the Company's Sun City Low Income
9 Program filing and shall prepare and docket, within 60 days of the Company's filing, a
10 Recommended Order regarding the Company's proposed changes to the Sun City Low Income
11 Program.

12 IT IS FURTHER ORDERED that Arizona-American Water Company is hereby authorized to
13 continue the current high block funding mechanism for the Sun City Low Income Program.

14 IT IS FURTHER ORDERED that Arizona-American Water Company is hereby authorized to
15 establish a deferral account to allow it to defer tank maintenance expenses for the Anthem Water
16 district until the next rate case for the Anthem Water district, at which time Arizona-American Water
17 Company may present evidence in support of recovery of the deferred expense amounts for
18 consideration.

19 IT IS FURTHER ORDERED that Arizona-American Water Company shall reduce water loss
20 in the Sun City Water district's PWS No. 07-099 to below 10 percent before it files its next rate case,
21 CC&N, or financing application for the Sun City Water district, not including currently pending
22 cases, whichever comes first; and shall continue tracking the water loss for PWS No. 07-099 for three
23 years and submit the data collected every six months; and shall file within 180 days, with the
24 Commission's Docket Control, as a compliance item in this docket, the first water loss tracking
25 report for PWS No. 07-099.

26 IT IS FURTHER ORDERED that the 2007 and 2008 Pulte refund payments are included in
27 rate base.
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